

CERTIFICATE OF PURCHASE FOR ACQUISITION OF REAL PROPERTY

This Certificate of Purchase Agreement is made and entered into effective this ____ Day of _____, 2015, pursuant to § 77-2-327, MCA, by and between **the State of Montana, State Board of Land Commissioners, by and through the Montana Department of Natural Resources and Conservation**, whose address is P.O. Box 201601, Helena, MT 59620-1601, as the Seller (hereinafter referred to as the “State”), and _____, whose address is _____, as the Buyer (hereinafter referred to as the “Purchaser”).

The purpose of this Certificate of Purchase Agreement is to create an “installment sale contract” by provision of in-kind services and construction of subdivision public improvements upon real property retained by the State of Montana in exchange for the purchase and sale of real property to be acquired and held by the Purchaser, the purchase of which is subject to termination and forfeiture as provided herein in this Certificate of Purchase for the Acquisition of Real Property. Nothing herein should be construed as creating an “earnest money contract”, “trust indenture” or a “mortgage”, and nothing herein creates any right of redemption for a party in default of its obligations.

Accordingly, the parties hereby agree as follows:

That the State, in consideration of the provision of in-kind services and the installation and construction of subdivision public improvements described herein, whose value is equivalent to total sum of One Million Sixty One Thousand One Hundred Sixty Two and No/100 Dollars (\$1,061,162.00), in addition to the cash bonus bid at auction in the amount of \$_____, to be provided and paid by The Purchaser on the terms and conditions set forth herein, and in consideration of the mutual promises contained herein, and other good and valuable consideration, agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the State the lands further described in Exhibit “A” attached hereto and incorporated herein by reference.

On or before the effective date of this Certificate Purchase, The Purchaser has paid the State of Montana at its address listed above a down payment of _____ Dollars (\$_____), equal to the cash bonus bid at auction in excess of the in-kind obligation to provide services and construct and install improvements, the receipt of such bonus cash is hereby acknowledged. Contemporaneously, with the execution of this Certificate of Purchase, the State and the Purchaser shall execute the Notice of Purchaser’s Interest, which is attached hereto, and incorporated herein as Exhibit “D”.

Thereafter, or before _____, 20____ The Purchaser agrees to provide the services and construct and install those public improvements as specified and required in the Subdivision Improvements Agreement (dated February 10, 2014, and recorded with the Yellowstone County Clerk and Recorder’s office as Document No. 3698532 on February 25, 2014), so as to obtain on or before _____, 20____ a recorded Release from the City of Billings, Department of Public Works as described in Exhibit “B” to “The Declaration of Restriction on Transfers and Conveyances, Skyview Subdivision First Filing” (dated January 27, 2014, and recorded with the Yellowstone County Clerk and Recorder’s office as Document No. 3698533 on February 25, 2014) for the State of Montana’s retained lands within Block 1, Lots 1 – 4 inclusive, and Block 2, Lots 1 and 2 of the Skyview Subdivision, First Filing. The materials and improvements to be constructed and installed for water, sanitary sewer, storm drain, and street improvements, and other improvements, are further listed and described in Exhibit “B” and also illustrated on Exhibit “C” which are attached hereto and incorporated herein by reference.

The Purchaser hereby warrants and guarantees that all such subdivision improvements constructed and installed shall remain fully functional as designed for a period of one year after the recordation of the City’s Release.

Upon the successful installation and construction of the improvements described above, and the recordation of the City of Billings’ Release as described above, and the fulfillment by the

Time is of the essence in the Purchaser's performance under this Certificate of Purchase. In case of any breach or delay by the Purchaser in the exact performance of any its obligations described herein, including the construction of improvements due on the date as described hereinabove, under this Certificate of Purchase, or by the City of Billings in the grant of its Release to the above-described lands retained by the State of Montana , all the rights of the Purchaser under this Certificate of Purchase shall automatically terminate, after: the State gives written notice of the Purchaser's breach or default to the Purchaser at its address listed above; that written notice informs the Purchaser that it is granted 180 days to cure its default by completing its obligations, to the State; and such default is not cured within 180 days of the Purchaser's receipt of the written notice of breach or default.

Any risk of loss to improvements placed upon the above-described State trust lands by the Purchaser prior to the State's issuance of a Patent to the Purchaser shall be borne by the Purchaser.

PURCHASER

STATE OF MONTANA)
)
) ss.
County of _____)

Notary Public in and for the State of Montana

Printed name: _____

Residing at: _____

My commission expires: _____

In Testimony Whereof the State of Montana has caused this Certificate of Purchase Agreement to be executed by the Governor and to be attested by the Secretary of State and countersigned by the Director of the Montana Department of Natural Resources and Conservation, and the Great Seal of the State and the Seal of the State Board of Land Commissioners to be hereunto affixed this ____day of _____ A.D. 2015.

.....
Governor of the State of Montana.

ATTEST:

.....
Secretary of State.

Countersigned by:

.....
Director, Department of Natural Resources and Conservation

DRAFT

After recording, return to:

Montana Department of Natural Resources
and Conservation
Trust Land Management Division
Real Estate Management Bureau
P.O. Box 201601
Helena, Montana 59620

EXHIBIT “A”

Exhibit A – Legal Description of the Property - Patent

Lots 5 through 9, inclusive, Block 1; Lot 1, Block 3; Lot 1, Block 4; Lot 1, Block 5; Lot 1, Block 6; Lot 1, Block 7 and Lot 1, Block 8, Skyview Ridge Subdivision, First Filing in the City of Billings, according to the official plat on file in the office of the Clerk and Recorder of Yellowstone County, Montana

--- End of Exhibit A ---

Exhibit B – Engineer’s Opinion of Probable Cost
Skyview Ridge Subdivision – Phase I

Date: February 20, 2014
Project No.: 84062.12



Engineer's Opinion of Probable Cost
for
Skyview Ridge Subdivision - Revised Phase I
TO PROVIDE WATER, SANITARY SEWER, STORM DRAIN, AND STREET IMPROVEMENTS
Estimate based on preliminary plat layout only
Phase I Includes Lots 1-4, block 1, Lots 1 & 2, Block 2

Schedule I: Utilities

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	1	LS	Mobilization and Insurance	\$26,305.13 =	\$26,305.13
102	1	EA	Connect to Existing Sanitary Manhole	\$4,500.00 =	\$4,500.00
103	3	EA	Basic Sanitary Manhole	\$3,500.00 =	\$10,500.00
104	15	VF	Extra Depth Sanitary Sewer Manhole	\$95.00 =	\$1,425.00
105	1252	LF	8-inch Sanitary Sewer Main	\$40.00 =	\$50,080.00
106	10	EA	6-inch Sanitary Sewer Service	\$800.00 =	\$8,000.00
107	280	LF	6-inch Sanitary Sewer Service pipe	\$25.00 =	\$7,000.00
108	2	EA	8-inch PVC Sanitary Sewer Cap	\$150.00 =	\$300.00
109	1	EA	Connect to 8-inch Water w/8" Tapping Tee & Valve	\$2,500.00 =	\$2,500.00
110	1352	LF	8-inch Water Main	\$35.00 =	\$47,320.00
111	12	EA	8-inch Gate Valve	\$1,500.00 =	\$18,000.00
112	1	EA	8-inch Cross	\$850.00 =	\$850.00
113	3	EA	8-inch Tee	\$750.00 =	\$2,250.00
114	5	EA	8X8X6-inch Tee	\$750.00 =	\$3,750.00
115	0	EA	8-inch Bend	\$550.00 =	\$0.00
116	5	EA	Fire Hydrant Assembly (inc. valve & piping)	\$4,500.00 =	\$22,500.00
117	2	EA	6-inch Water Service (inc. valve, piping & connection)	\$2,000.00 =	\$4,000.00
118	1	EA	4-inch Water Service (inc. valve, piping & connection)	\$1,800.00 =	\$1,800.00
119	6	EA	1-inch Water Service on 8-inch Main	\$1,100.00 =	\$6,600.00
120	4	EA	2-inch Temporary Blowoff	\$2,000.00 =	\$8,000.00
121	7	EA	8-inch Plug & Thrust	\$500.00 =	\$3,500.00
122	1	EA	Connect to Ex. Storm Drain Manhole	\$3,000.00 =	\$3,000.00
123	4	EA	Storm Drain Manhole	\$4,000.00 =	\$16,000.00
124	20	VF	Extra Depth Manhole	\$95.00 =	\$1,900.00
125	617	LF	24-inch Storm Drain Pipe	\$80.00 =	\$49,360.00
126	638	LF	21-inch Storm Drain Pipe	\$70.00 =	\$44,660.00
127	0	LF	15-inch Storm Drain Pipe	\$60.00 =	\$0.00
128	156	LF	12-inch Storm Drain Pipe	\$40.00 =	\$6,240.00
129	6	EA	Curb Inlet	\$1,750.00 =	\$10,500.00
130	2	EA	21-inch Storm Drain Ccap	\$500.00 =	\$1,000.00
131	4	EA	6-inch Storm Drain Service	\$600.00 =	\$2,400.00
132	112	LF	6-inch Storm Drain Pipe	\$25.00 =	\$2,800.00
133	1	LS	Traffic Control During Construction	\$10,000.00 =	\$10,000.00
Schedule I Subtotal				=	\$377,040.13

Schedule II: Streets

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
201	1	LS	Mobilization and Insurance	\$13,056.75 =	\$13,056.75
202	1	LS	Storm Water Management and Erosion Control	\$7,500.00 =	\$7,500.00
203	1889	CY	Unclassified Excavation - Streets	\$8.00 =	\$15,112.00
204	2133	CY	1-1/2-inch Base Gravel (12-inch thick)	\$22.00 =	\$46,926.00
205	2240	LF	Curb and Gutter	\$11.00 =	\$24,640.00
206	648	SF	Accessibility Ramp	\$7.00 =	\$4,536.00
207	24	EA	Truncated Dome Panels	\$150.00 =	\$3,600.00
208	3998	SY	Asphalt Surface Course (3-inch Section)	\$12.00 =	\$47,976.00
209	1	EA	Monument and box	\$500.00 =	\$500.00
210	1	EA	Street Name Sign with Post	\$400.00 =	\$400.00
211	1	EA	Stop Sign with Post	\$400.00 =	\$400.00
212	1	LS	Striping Turn Lane (Wicks Lane and Fantan)	\$3,500.00 =	\$3,500.00
213	1	LS	Yellow Epoxy Curb Paint	\$3,000.00 =	\$3,000.00
214	1	LS	School Crossing (inc. striping & crossing signs)	\$5,000.00 =	\$5,000.00
215	8	EA	Nine Button Delineator	\$500.00 =	\$4,000.00
216	4	EA	Road Closed Sign	\$500.00 =	\$2,000.00
217	1	LS	Traffic control during construction	\$5,000.00 =	\$5,000.00
Schedule II Subtotal					= \$187,146.75

Wicks Lane Improvements

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
301	1	LS	Mobilization and Insurance	\$13,842.98 =	\$13,842.98
302	1	LS	Storm Water Management and Erosion Control	\$4,000.00 =	\$4,000.00
303	2100	CY	Unclassified Excavation - Streets	\$8.00 =	\$16,800.00
304	1575	CY	1-1/2-inch Base Gravel (12-inch thick)	\$22.00 =	\$34,650.00
305	1505	LF	Curb and Gutter	\$11.00 =	\$16,555.00
306	324	SF	Accessibility Ramp	\$7.00 =	\$2,268.00
307	12	EA	Truncated Dome Panels	\$150.00 =	\$1,800.00
308	4220	SY	Asphalt Surface Course (4-inch Section)	\$15.00 =	\$63,300.00
309	2	EA	Monument and box	\$500.00 =	\$1,000.00
310	1	EA	Striping Turn Lane (Wicks Lane and Fantan)	\$20,000.00 =	\$20,000.00
311	1	EA	Traffic control during construction	\$10,000.00 =	\$10,000.00
312	2	LS	6-inch Sanitary Sewer Service	\$800.00 =	\$1,600.00
313	120	LF	6-inch Sanitary Sewer Service Pipe	\$25.00 =	\$3,000.00
314	3	LS	4-inch Water Service	\$1,800.00 =	\$5,400.00
315	2	EA	6-inch Storm Drain Service	\$600.00 =	\$1,200.00
316	120	EA	6-inch Storm Drain Pipe	\$25.00 =	\$3,000.00
Wicks Lane					= \$198,415.98
Construction Subtotal					= \$762,602.85
Construction Subtotal Plus Contingency					= \$876,993.28



Administrative Fees				
Engineering Design	7.50%	=		\$65,774.50
Construction Admin & Inspection	7.00%	=		\$61,389.53
construction staking	1.50%	=		\$13,154.90
Materials testing	1.50%	=		\$13,154.90
City of Billings Private contract fee	3.50%	=		\$30,694.76
Subtotal of Administrative Fees		=		\$184,168.59

Construction Total and Administrative Fees	=	\$1,061,161.87
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Total Net Lot Square Footage =	493,056	SF
Square Foot Cost (net lot area) =	\$2.15	

Notes:		
<i>quantity estimates based on Preliminary plat layout only - not on actual design</i>		
<i>Mobilization and Insurance based on percentage of total schedule cost</i>	7.5 %	
<i>Construction contingency</i>	15 %	
<i>All items are complete and in place.</i>		

Sanderson Stewart cannot warrant that any opinions of probable cost provided by Sanderson Stewart will not vary from actual costs incurred by the client. Sanderson Stewart has no control over the cost or availability of labor, equipment, materials, or over market conditions or the Contractor's method of pricing. Sanderson Stewart makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from Sanderson Stewart's opinion of probable cost.



SKYVIEW RIDGE SUBDIVISION, FIRST FILING - PHASE I IMPROVEMENTS

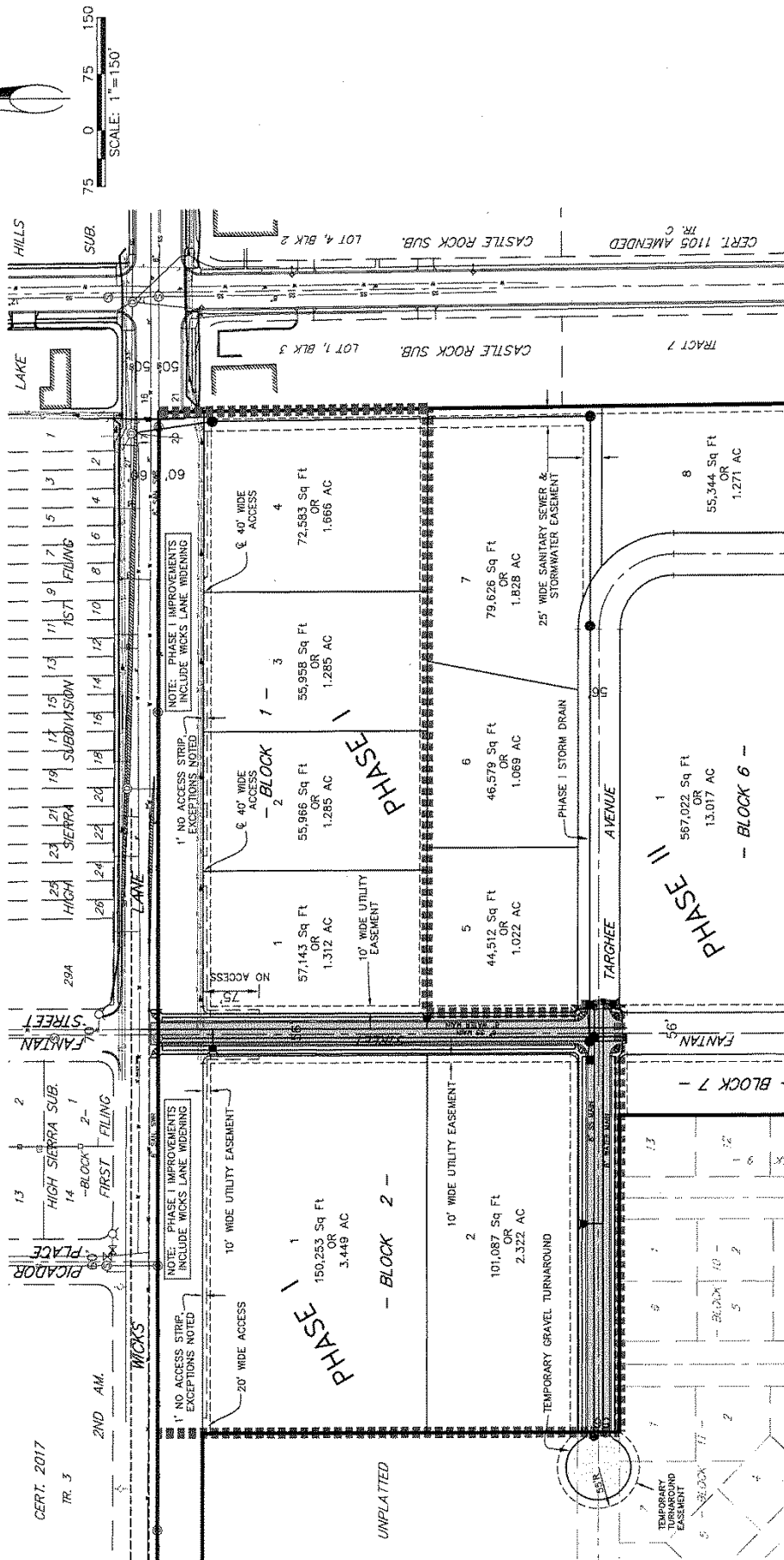
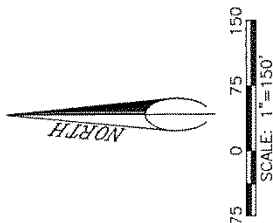
SITUATED IN THE NE1/4 OF SECTION 20, T. 1 N., R. 26 E., P.M.M.
IN THE CITY OF BILLINGS, YELLOWSTONE COUNTY, MONTANA

PREPARED FOR: MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

FEBRUARY 2015

PREPARED BY: **SANDERSON STEWART**

BILLINGS, MONTANA



STATE ACKNOWLEDGMENT

STATE OF MONTANA)
 : SS
COUNTY OF LEWIS & CLARK)

On this ____ day of _____, 2015, personally appeared before me John E. Tubbs, to me known to be the Director and administrator of the Department of Natural Resources and Conservation of State of Montana, that he executed the within and foregoing instrument on behalf of the State of Montana, and acknowledged said instrument to be the free and voluntary act and deed of the State of Montana for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Department of Natural Resources and Conservation for the State of Montana.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public in and for the State of Montana

Printed name: _____

Residing at: _____

My commission expires: _____